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039MILK MARKET INFORMATION BULLETIN
CHATTANOOGA, TENNESSEE, MARKETING AREA

Volume 18

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Federal Order No. 90, 112 Lee Parkway Drive, Chattanooga, Tennessee 37411
J. E. Bobo, Market Administrator

MARKET SUMMARY - MAY 1974

The Chattanooga Order MINIMUM uniform producer prices per cwt. at pool plants for milk testing 3.5% butterfat are: Base Milk - \$9.89 and Excess Milk - \$6.93. The producer butterfat differential is 7.6 cents for each one-tenth of one percent above or below 3.5% test. This is a Base and Excess price increase of \$2.79 and \$1.27 respectively above May 1973.

In May 1974, 68.0% of the producer milk received by pool plants was priced in Class I at \$10.30 per cwt. and 32.0% was priced in Class II at \$6.93 per cwt. The May butterfat differential for Class I was 8.2 cents and Class II was 7.0 cents.

Total producer milk received during May 1974 was 36,686,306 pounds which is a decrease of 2,940,204 pounds or 7.4% compared with May 1973. Deliveries of producer Base milk exceeded producer milk used in Class I by 2,935,664 pounds or percentage-wise only 89.5% of Base milk was used in Class I. The May daily average deliveries from 749 producers was 1,580 pounds. This compares to 726 farms delivering a daily average of 1,761 pounds per day during May 1973.

USDA DENIES HEARING TO "FLOOR" FLUID MILK PRICES IN ALL MARKETING ORDERS

The U. S. Department of Agriculture on June 14, 1974 announced that it was taking no action in response to requests from major dairy farmer cooperatives for a hearing to set a minimum "floor", at May price levels, for computing fluid milk prices paid to farmers under all federal milk orders.

The Department said that while milk prices have fallen sharply during recent months, this is expected to be a temporary situation reflecting in part a seasonal imbalance of supply and demand. Milk production continues to run below levels of a year earlier and stocks of manufactured products -- cheese, butter, and nonfat dry milk - are not excessive. During this oncoming fall season, milk prices are expected to strengthen.

USDA officials said that purchases under the price support program are now being made and will relieve temporary commercial stock buildups of manufactured dairy products. The department has previously announced that it was expanding its purchases under that program to include purchases of processed cheese loaves. In addition, Secretary of Agriculture Earl L. Butz announced that he is asking the White House not to authorize further imports of nonfat dry milk at this time.

Department officials said that crop conditions continue favorable and dairy farmers reasonably can anticipate better milk-feed ratios than have existed since 1972.

Source: U. S. Department of Agriculture News Release

COMPARISON OF MILK RECEIPTS AND UTILIZATION

	% May '74			
	Over	May	April	May
	May '73	1974	1974	1973
Number of Plants - Pool		4	4	6
- Non-Pool		14	14	12
<u>RECEIPTS POUNDS (DAILY AVERAGE)</u>				
Producer Milk	- 7.4	1,183,429	1,178,929	1,278,275
Other Source	+163.0	94,083	106,299	35,771
Other Federal Orders	+116.4	116,399	120,855	53,786
TOTAL MILK RECEIPTS	+ 1.9	1,393,911	1,406,083	1,367,832
<u>UTILIZATION POUNDS (DAILY AVERAGE)</u>				
<u>Class I Uses</u>				
Homo Milk	- 15.4	393,967	403,129	465,548
Skim	- 12.1	21,283	21,700	24,212
2% Milk	+ 29.3	213,429	216,536	165,071
Buttermilk	- 2.6	58,689	58,839	60,237
Flavored Milk & Drink	+ 25.4	34,954	33,394	27,863
Creams (Sweet and Sour) and Dip	- 4.4	4,029	3,990	4,214
Yogurt		444	607	1,307
1kg. Items Sub-Total (Pool Plants)	- 2.9	726,795	738,195	748,452
Other (Shrinkage, Inventory, etc.)		3,925	3,020	2,436
Sales to Non-Pool Plants	+ 36.2	74,993	4,792	55,069
In-Area Sales by Non-Pool Plants	+ 12.3	62,567	60,238	55,728
TOTAL CLASS I MILK	+ 0.8	868,280	806,245	861,685
<u>Class II Uses - Pool Plants</u>				
Ice Cream Mixes	+ 19.4	73,480	73,806	61,536
Livestock Feed and Milk Dumped		5,366	6,425	8,227
Shrinkage Class II		17,182	18,153	10,011
Other (Inv. Variation, Cottage Cheese, etc.)		86,058	115,737	51,206
Bulk Sales to Non-Pool Plants	- 8.4	343,545	385,717	375,167
TOTAL CLASS II MILK	+ 3.8	525,631	599,838	506,147
<u>CLASS I PACKAGED POUNDS</u>				
Distributed In Area - Pool Plants	- 3.7	496,151	501,931	515,421
Distributed Out of Area - Pool Plants	- 1.0	230,644	236,264	233,031
Distributed In Area - Non-Pool Plants	+ 12.3	62,567	60,238	55,728
% Producer Milk of Gross Class I		136.3	146.2	148.3
% Producer Milk Priced in Class I		68.0	63.1	62.1

TOTAL PACKAGE CLASS I POUNDS (DAILY AVERAGE) ON ROUTES IN THE
MARKETING AREA BY POOL PLANTS AND NON-POOL PLANTS

	% May '74			
	Over	May	April	May
	May '73	1974	1974	1973
<u>PACKAGE ITEMS</u>				
Homo Milk	- 14.5	316,922	321,536	370,822
Skim	- 9.2	15,658	16,732	17,242
2% Milk	+ 34.2	147,363	148,267	109,813
Buttermilk	- 1.5	46,413	46,287	47,142
Flavored Milk and Drink	+ 31.1	28,783	25,978	21,953
Fluid Creams, Yogurt and Dip	- 14.3	3,579	3,369	4,177
Class I Package Pounds - In Area	- 2.2	558,718	562,169	571,149

COMPUTATION OF PRODUCER UNIFORM BASE AND EXCESS PRICES

AND WEIGHTED AVERAGE PRICE

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May 1974	Class %	Milk Pounds	Butterfat Test - %	Cwt. Price @ Test	Gross Value
Gross Class I		26,916,683	2.800		
Less Other Source		1,970,632	2.811		
Producer Milk Class I	68.0	24,946,051	2.799177	\$9.725325	\$2,426,084.53
Gross Class II		16,294,553	5.640		
Less Other Source		4,554,298	5.978		
Producer Milk Class II	32.0	11,740,255	5.509029	\$8.336320	978,705.23
TOTAL PRODUCER MILK (Cl.I+Cl.II)	100.0	36,686,306	3.666376		\$3,404,789.76
Less Fractional Adjustment					.08
Add Value of Class I Other Source and Producer Location Adjustment					3,018.98
Add ½ Producer-Settlement Fund Reserve					18,233.85
TOTAL VALUE AT TEST		36,686,306	3.666376	\$9.338750	\$3,426,042.51
Less Test over 3.5% @ 7.6¢ per point		36,686,306	.166376	.126446	46,388.37
TOTAL UTILIZATION VALUE AT 3.5%		36,686,306	3.5	\$9.212304	\$3,379,654.14
Less Producer Settlement Fund Reserve		36,686,306		.042304	
WEIGHTED AVERAGE PRICE - 3.5% TEST		36,686,306	3.5	\$9.17	
Less FMP from Unregulated Supply Plants Allocated to Class I @ Wt. Av. Price		-0-		9.17	
TOTAL PRODUCER MILK VALUE @ 3.5% TEST		36,686,306	3.5	\$9.17	\$3,379,654.14

BASE AND EXCESS PRICES

	Milk Pounds	Cwt.Price @ Test	Amount	Value
TOTAL PRODUCER MILK VALUE @ 3.5% TEST	36,686,306			\$3,379,654.14
Excess Producer Milk Used in Class I	-0-	-	-	
Excess Producer Milk Used in Class II	8,804,591	\$6.93	\$610,158.16	
UNIFORM EXCESS PRICE - 3.5% TEST	8,804,591	6.93		610,158.16
Total Value of Base Milk	27,881,715	9.933019		\$2,769,495.98
Less Producer-Settlement Fund Reserve	27,881,715	.043019		11,994.43
UNIFORM BASE PRICE - 3.5% TEST	27,881,715	\$9.89		\$2,757,501.55

MAY 1974 MINIMUM PRODUCER PRICES CWT. f.o.b. CHATTANOOGA POOL PLANTS
BUTTERFAT DIFFERENTIAL 7.6¢ PER POINT (EXCLUDES PREMIUMS)

TEST-%	BASE	EXCESS	TEST-%	BASE	EXCESS	TEST-%	BASE	EXCESS
3.0	\$9.51	\$6.55	4.0	\$10.27	\$7.31	5.0	\$11.03	\$8.07
3.05	9.548	6.588	4.05	10.308	7.348	5.05	11.068	8.108
3.1	9.586	6.626	4.1	10.346	7.386	5.1	11.106	8.146
3.15	9.624	6.664	4.15	10.384	7.424	5.15	11.144	8.184
3.2	9.662	6.702	4.2	10.422	7.462	5.2	11.182	8.222
3.25	9.70	6.74	4.25	10.46	7.50	5.25	11.22	8.26
3.3	9.738	6.778	4.3	10.498	7.538	5.3	11.258	8.298
3.35	9.776	6.816	4.35	10.536	7.576	5.35	11.296	8.336
3.4	9.814	6.854	4.4	10.574	7.614	5.4	11.334	8.374
3.45	9.852	6.892	4.45	10.612	7.652	5.45	11.372	8.412
3.5	9.89	6.93	4.5	10.65	7.69	5.5	11.41	8.45
3.55	9.928	6.968	4.55	10.688	7.728	5.55	11.448	8.488
3.6	9.966	7.006	4.6	10.726	7.766	5.6	11.486	8.526
3.65	10.004	7.044	4.65	10.764	7.804	5.65	11.524	8.564
3.7	10.042	7.082	4.7	10.802	7.842	5.7	11.562	8.602
3.75	10.08	7.12	4.75	10.84	7.88	5.75	11.60	8.64
3.8	10.118	7.158	4.8	10.878	7.918	5.8	11.638	8.678
3.85	10.156	7.196	4.85	10.916	7.956	5.85	11.676	8.716
3.9	10.194	7.234	4.9	10.954	7.994	5.9	11.714	8.754
3.95	10.232	7.272	4.95	10.992	8.032	5.95	11.752	8.792

CHATTANOOGA ORDER MILK PRICES (3.5 PERCENT TEST)

Date	PRODUCER UNIFORM PRICES 1/				HANDLER CLASS PRICES 1/			
	Per Hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf. Dif.	Cwt.	Bf. Dif	Cwt.	Bf. Dif.
May '73	\$6.94 2/	\$7.10	\$5.66	7.2¢	\$7.70	7.4¢	\$5.66	7.0¢
June	7.10 2/	7.24	5.73	7.2	7.78	7.3	5.73	7.0
July	7.32 2/	7.44	5.78	7.4	7.81	7.3	5.78	7.3
Aug.	7.74	-	-	8.0	7.88	7.6	6.38	9.0
Sept.	8.28	-	-	9.6	8.37	9.4	6.91	9.9
Oct.	8.33	-	-	10.0	8.53	10.3	7.49	9.1
Nov.	8.86	-	-	9.2	9.06	9.5	7.64	8.6
Dec.	9.20	-	-	8.6	9.64	9.0	7.94	8.3
Jan. '74	9.33	-	-	8.2	9.79	8.6	8.10	7.9
Feb.	9.40	-	-	7.8	10.09	8.2	8.14	7.4
Mar.	9.51 2/	\$9.85	\$8.15	7.8	10.25	7.7	8.15	7.8
Apr.	9.33 2/	9.81	7.73	8.0	10.29	8.2	7.73	7.8
May	9.17 2/	9.89	6.93	7.6	10.30	8.2	6.93	7.0
June	-	-	-	-	9.88	7.3	-	-
July	-	-	-	-	9.08	-	-	-

Date	PRICE QUOTATIONS			PRODUCER MILK USE (Daily Average)					
	Chi. 92° Butter	Chi. Area Powder	Minn/Wisc. Mfg. Milk	Class I		Class II		Percentage Use	
	¢ Lb.	¢ Lb.	Cwt. -3.5%	Pounds	Test-%	Pounds	Test-%	Cl. I	Cl. II
May '73	61.00	45.20	\$5.66	793,404	2.93	484,871	4.80	62.1	37.9
June	61.00	45.24	5.73	779,652	2.98	407,557	4.87	65.7	34.3
July	63.43	45.51	5.78	763,373	3.03	247,383	5.55	75.5	24.5
Aug.	78.15	47.96	6.38	647,883	2.89	126,570	7.38	83.7	16.3
Sept.	85.94	50.07	6.91	675,195	2.80	71,764	11.48	90.4	9.6
Oct.	79.34	50.82	7.49	672,259	2.78	66,947	13.28	90.9	9.1
Nov.	75.00	51.04	7.64	690,996	2.83	65,376	14.87	91.4	8.6
Dec.	71.98	52.03	7.94	735,380	2.94	233,683	6.96	75.9	24.1
Jan. '74	68.49	55.13	8.10	737,793	2.86	249,088	7.15	74.8	25.2
Feb.	64.07	57.75	8.14	691,834	2.79	361,676	5.94	65.7	34.3
Mar.	68.06	61.52	8.15	723,583	2.73	404,160	5.55	64.2	35.8
Apr.	68.23	68.73	7.73	744,227	2.76	434,702	5.40	63.1	36.9
May	60.51	66.22	6.93	804,711	2.80	378,718	5.51	68.0	32.0

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Date	HANDLERS GROSS MILK 3/			PRODUCER DATA					
	No. Hdlers	Total Receipts	Class I Use	Pool Plants	No. Prod.	Total Delivery	Base Delivery	Average Test-%	Av. Per Farm
May '73	18	1,367,832	861,685	6	726	1,278,275	1,140,405	3.64	1,761
June	18	1,273,527	843,702	6	720	1,187,209	1,076,817	3.63	1,649
July	17	1,128,476	857,423	4	630	1,010,756	938,848	3.64	1,604
Aug.	17	905,289	742,937	4	601	774,453	-	3.63	1,289
Sept.	16	954,718	786,950	3	567	746,959	-	3.63	1,317
Oct.	16	926,692	776,654	3	561	739,206	-	3.74	1,318
Nov.	16	916,985	793,538	3	553	756,372	-	3.87	1,368
Dec.	17	1,157,582	829,686	4	624	969,063	-	3.91	1,553
Jan. '74	17	1,170,171	837,331	4	626	986,881	-	3.94	1,576
Feb.	17	1,233,886	790,532	4	738	1,053,510	-	3.87	1,428
Mar.	17	1,275,930	783,913	4	701	1,127,743	909,675	3.74	1,609
Apr.	18	1,406,083	806,245	4	750	1,178,929	913,117	3.73	1,572
May	18	1,393,911	868,280	4	749	1,183,429	899,410	3.67	1,580

1/ Excludes Premiums

4 2/ Weighted Average Price

3/ Other Source is Gross minus Producer; Class II is Receipts minus Class I